

Message Text

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ACTION IO-14

INFO OCT-01 ADP-00 AF-10 ARA-16 EA-11 EUR-25 NEA-10 RSC-01

EB-11 COME-00 INT-08 SCEM-02 AID-20 NSC-10 CIEP-02

TRSE-00 SS-15 STR-08 OMB-01 CEA-02 L-03 H-03 PA-03

PRS-01 USIA-12 CIAE-00 FRB-02 INR-10 NSAE-00 XMB-07

OPIC-12 LAB-06 SIL-01 RSR-01 /228 W

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TAGS UN ECOSOC

SUBJ 55TH ECOSOC: ITEM 3, GENERAL DEBATE

1. SUMMARY: SIX SPEAKERS AT AFTERNOON SESSION PLENARY JULY 11 INCLUDED DIRECTOR UNESOB, UKRANIAN SSR, EX SEC ECLA, DG GATT, AND REPS OF ICFTU AND WFTU. AMB DRIS' (TUNISIA) INTERVENTION AT CONCLUSION ON "MOZAMBIQUE MASSACRE" REPORTED SEPTEL. NO ACTION REQUIRED. END SUMMARY.

2. DIRECTOR OF UNESCOB, MR SAID EL-NAGGAR DELIVERED SHORT, HIGHLY OPTIMISTIC STATEMENT ON ECONOMIC SITUATION IN HIS AREA, NOTING THAT REGION AS WHOLE SURPASSED BY FAR THE GROWTH TARGETS OF IDS. IN 1971, OVERALL INCREASE WAS 13 PERCENT. HE NOTED DISPARITIES BETWEEN OIL PRODUCING AND NON-OIL STATES BUT SAID THAT IN LATTER GROUP, LEBANON AND JORDAN WERE ALSO ABLE TO ATTAIN TARGETS. HE ATTRIBUTED MUCH OF DRAMATIC GROWTH IN AREA TO SERIES OF AGREEMENTS BETWEEN GOVERNMENTS AND OIL CONCERN WHICH AFFECTED IMPORTANT INCREASES IN REVENUE.

3. EL-NAGGAR PROJECTED OIL REVENUES FOR AREA AT \$15 BILLION

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IN 1975 AND \$50 BILLION IN 1980. DESCRIBING OIL AS A WASTING

ASSET, HE CALLED FOR DIVERSIFICATION OF ECONOMIES OF AREA. HE NOTED THAT EVEN WITH DIVERSIFICATION EFFORTS, OIL PRODUCING STATES WOULD BE LEFT WITH SIZABLE SURPLUS OF INTERNATIONAL RESERVES.

4. REFERING TO THE POORER STATES OF THE AREA, HE CALLED FOR ASSISTANCE FROM OIL-PRODUCING STATES, REGIONAL FINANCIAL INSTITUTIONS, AND THE UN. HE QUERIED WHETHER FINANCIAL ASSISTANCE IS WHAT THE POOREST STATES REALLY NEED FOR DEVELOPMENT. HE FAVORED REALISTIC REGIONAL INTEGRATION EFFORTS FOR LEBANON, SYRIA, JORDAN, AND IRAQ. HE NOTED APPROVINGLY THAT THESE STATES SEEM TO HAVE PROGRESSIVELY MOVED AWAY FROM UNREALISTIC INTEGRATION SCHEMES TOWARD A "GRADUALIST" APPROACH.

5. ECLA EX SEC IGLESIAS' STATEMENT ALSO WAS OPTIMISTIC, IN GENERAL, NOTING THAT THE REGION HAD MET OR SURPASSED IDS TARGETS, WHILE ADMITTING THAT NOT ALL INDIVIDUAL COUNTRIES HAD MET ALL TARGETS. ESPECIALLY SIGNIFICANT DEVELOPMENTS IN 1972 WERE: A) FOREIGN TRADE REVENUE INCREASE OF 13 PERCENT, FIVE PERCENT IN REAL TERMS; B) GNP INCREASE OF 6 PERCENT AND P.C. GNP INCREASE OF 3.4 PERCENT; C) HIGHLY PROMISING INTEGRATION ADVANCES, PARTICULARLY IN ANDEAN GROUP. GLOBAL ISSUES AFFECTING LAS HE LISTED AS 1) UNFAVORABLE TERMS OF TRADE, 2) INTERNATIONAL MONETARY CRISIS AND 3) MULTI-LATERAL TRADE NEGOTIATIONS. HE DESCRIBED PRESENT INTERNATIONAL ECONOMIC SITUATION AS BEING AN "INTEGRAL CRISIS", NOT LIMITED AS MANY SAID ONLY TO MONETARY CHAOS, BUT AFFECTING MANY AREAS AS THE ENERGY CRISIS, THE SCARCITY OF CERTAIN COMMODITIES AND FOOD SHORTAGES. HE ADVOCATED AN INTEGRATED ATTACK ON THESE PROBLEMS AND CHANGES IN THE PARAMETERS OF THE INTERNATIONAL ECONOMIC ORDER. IF THESE PROBLEMS ARE NOT ADDRESSED, HE SAID THAT THE ADVANCES OF LDCS IN FOREIGN TRADE MIGHT WELL BE SWEPT AWAY.

6. AMB SANTA CRUZ (CHILE) REMARKED THAT HE FELT IGLESIAS' STATEMENT MIGHT GIVE ERRONEOUS IMPRESSION OF DEVELOPMENT IN THE REGION. HE POINTED OUT UNEVENESS OF DEVELOPMENT BETWEEN COUNTRIES, AND THE LACK OF SOCIAL INDICATORS. HE REFERRED TO THE QUITO APPRAISAL DOCUMENT AND DATA IN IT ON MOUNTING DEBT, DETERIORATION OF HUMAN ENVIRONMENT AND INCREASED UNEMPLOYMENT. IGLESIAS RESPONDED THAT HE HAD REFERRED TO THESE ISSUES IN HIS STATEMENT IN THE ECONOMIC COMMITTEE AND THAT PLENARY STATEMENT UNCLASSIFIED

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HAD REFERRED ONLY TO REGIONAL ISSUES AND THEIR INTERACTION WITH GLOBAL ISSUES.

7. UKRAINE REP IN UNEVENTFUL INTERVENTION STRESSED RADICAL REFORM OF INTERNATIONAL MONETARY SYSTEM REQUIRED. THERE MUST BE PROTECTION OF UN AND SPECIALIZED AGENCIES BUDGETS FROM FLUCTUATIONS IN CURRENCY AS NOW TAKING PLACE. LDCS MUST NOW REPAY LOANS IN

REVALUED CURRENCIES AT DISTINCT DISADVANTAGE TO THEIR DEVELOPMENT PROGRAMS.

8. GATT DIRECTOR GENERAL LONG TOOK THE FLOOR ON WHAT HE DESCRIBED AS AD HOC BASIS TO DESCRIBE SOME OF GATT'S ACTIVITIES IN PREPARATION FOR MULTILATERAL TRADE NEGOTIATIONS. HE OPENED BY SAYING THAT PROGRESSIVE BREAKDOWN IN MONETARY RELATIONS, AND INFLATION HAD STRAINED TRADE RELATIONS. HE SAID THAT IF WE WERE TO AVOID CHAOS OF 1930S, WORLD NEEDS NEW TRADE RULES, AND THE DISMANTLING OF TRADE BARRIERS. HE SAID PREPARATIONS FOR TRADE NEGOTIATIONS WERE IN FINAL PHASE. HE BRIEFLY DESCRIBED THE OBJECTIVES OF MTN WITH PARTICULAR REFERENCE TO THE LDCS AND RLDCS. HE WARNED THAT MTN, TO BE OFFICIALLY OPENED IN TOKYO THIS SEPTEMBER, "ARE GOING TO BE TRADE NEGOTIATIONS, NOTHING MORE, NOTHING LESS", AND THAT AS SUCH THEY SHOULD NOT BE THOUGHT OF AS VEHICLE TO SOLVE ALL PROBLEMS OF LDCS, ESPECIALLY THE WIDER ISSUE OF DEVELOPMENT. HE SAID GATT HAS NO INTENTION TO GO BEYOND ITS FIELD OF COMPETENCE AND THAT OTHER QUESTIONS, SUCH AS MARKETING, INVESTMENT, TRADE FINANCING, MARITIME TRANSPORT, ETC. WOULD HAVE TO BE DEALT WITH IN OTHER, APPROPRIATE FORA. LONG'S STATEMENT BEING POUCHED.

9. THE ICFTU AND WFTU REPS EMPHASIZED RESPECTIVELY THE MONETARY CRISIS AND ITS EFFECTS ON LDCS AND LABORERS, AND SOCIAL DEVELOPMENT.BASSIN

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